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Timor Gap: Oil Poured on Bloodied Waters

Pat Walsh

The Timor Gap Treaty which Australia and Indonesia signed on 11 December 1989 is a highly technical 130-page document which sets out the details of mining, taxes, profit sharing, and other operational matters in respect of the zone of co-operation that is its subject matter. It is also, though there is no hint of this in the text, a politically highly controversial document in a number of ways. It represents the boldest and most substantial expression to date of Australia's betrayal of the East Timorese people, a policy which must now be seen to have been motivated by economic opportunism, and its highly suspect legal status could land Australia in the International Court of Justice.

Reading the treaty text one is struck by its single-minded focus on one thing: oil. It has nothing to do with international boundaries or the welfare of the East Timorese. The sole function of the treaty is the facilitation of the exploration and exploitation of the reportedly vast petroleum resources in the disputed 'gap' south of East Timor.

Australia and Indonesia agreed on their seabed boundaries to the south of Irian Jaya and West Timor in 1972. Demarcation of the 250 km gap south of East Timor, however, has been a protracted process delayed first of all by Portugal's reluctance to co-operate, and then, after the Indonesian invasion of 1975, by a dispute between Jakarta and Canberra on where the boundary should be drawn. This dispute continues. Australia, for its part, continues to assert sovereign rights over the seabed to the edge of the continental shelf just south of East Timor. The treaty's achievement is that it provides a way around this dispute in the

TL 1269

form of a zone of co-operation. In one stroke it has removed both a political irritant and a frustrating impediment to the resource development plans of two energy hungry governments and a number of major oil companies.

Under the treaty, the zone of co-operation, a coffin-shaped area about the size of Tasmania, will be divided into three regions, A, B and C. The central region, Area A, will be administered jointly by Australia and Indonesia and government income will be shared equally. This area, the largest, contains a geological structure known as kelp which alone may contain a billion barrels of oil. In Area B, in the southern part of the zone, petroleum operations will take place under relevant Australian laws, with Australia paying ten per cent of tax revenues to Indonesia. Operations in Area C, the section nearest East Timor (which the treaty always refers to as an Indonesian Province), will be controlled by Indonesia with ten per cent of company tax revenues collected being passed on to Australia.

Though the treaty has been signed and applauded by both governments and the media, its implementation may not be all plain sailing. There have been unofficial complaints in Jakarta that the treaty favours Australia because Area B exceeds Indonesia's section in size and suspected potential. The treaty also has to be ratified by both parliaments. A parliamentary *nihil obstat* will be automatic in Jakarta, but the treaty may not go unchallenged in Canberra by the thirty-six strong Parliamentarians for East Timor group when it is tabled in the autumn session. This group is unlikely to act, however, unless it is convinced of the illegality of Australia's action and Portugal's commitment to respond decisively.

The legal status of the treaty is receiving some belated attention from students of international law. A recent seminar at the University of New South Wales asked: Is the treaty legal? Does Australia's recognition of Indonesia's claim to East Timor give it the right to exploit the natural resources of the area? The discussants, who included Dr Derrick Wilde of the Gold Coast CAE, Sasha Stepan of Monash University and Professor Ivan Schearer, Dean of the University of NSW Law School, were unanimous in their view that the treaty is fundamentally flawed and clearly breaches several central UN principles. Professor Schearer warned, however, that nothing in law is ever totally clear cut.

The highly respected jurist Professor Roger Clark of Rutgers University also believes the treaty is untenable. Clark argues forcefully that 'Australia is under a legal obligation not to recognize Indonesia's acquisition of East Timor' and that its signing of

the treaty breaches that duty. In this respect he cites, *inter alia*, *The Declaration on Principles on International Law Concerning Friendly Relations and Cooperation between States* (1970) which states that 'the territory of a state shall not be the object of acquisition by another state resulting from the threat or use of force. No territorial acquisition resulting from the threat or use of force shall be recognised as legal'. Australia sponsored this Declaration and voted for it. Similar provisions can be found in the *Definition of Aggression Declaration* (1974) and the *Law of the Sea Convention* (1982), also agreed to by Australia.

It is difficult not to agree with Clark that in signing the treaty Australia 'has chosen to thumb its nose both at the US resolutions specifically relating to East Timor and at those dealing with the use of force in general'. Australia's response is nothing short of brazen. In a breath-taking six-page statement released with the treaty in January, the Department of Foreign Affairs and Trade boldly states that it is confident of its position in international law, that 'there is no binding legal obligation not to recognise the acquisition of territory acquired by force', that the treaty has actually contributed to the 'creative development of international law', and that 'Australia's recognition of Indonesian sovereignty has allowed Australia to pursue its concerns for the human rights and economic development of the people of East Timor in a constructive and effective manner...'

The latter assertion in particular has been persuasively rebutted by James Dunn and others. The point to be made here is that, taken together, these statements demonstrate the depth of Australia's determination to get on with the exploitation of the Timor Gap for Australia's economic gain. This has in fact been a clear objective since 1975 and has been a major determinant of Australia's East Timor policy all along. Australia knew in the early '70s from oil company research made available to it that the kelp structure alone could hold between 500 million and 5 billion barrels of oil and gas reserves of 50,000 billion cubic feet, data that must have fixated the official mind like a heat-seeking missile.

That oil has been a factor in official thinking from the outset is clear from the notorious cable despatched from Jakarta in August 1975 by (then) Ambassador Dick Woolcott. 'We are all aware of the Australian Defence interest in the Portuguese Timor situation', said Woolcott (who is now head of the Department of Foreign Affairs and Trade), 'but I wonder whether the Department has ascertained the interest of the Minister of the Department of Minerals and Energy in the Timor situation. It would seem to me that this Department might well have an interest in

closing the present gap in the agreed sea border and this could be much more readily negotiated with Indonesia than with Portugal or independent Portuguese Timor. I know I am recommending a pragmatic rather than a principled stand but that is what national interest and foreign policy is all about.'

Negotiations between Jakarta and Canberra over the gap started in October 1976, less than a year after the invasion, and led to Australia being one of the first (and only) countries to extend *de jure* recognition to Indonesia's annexation in February 1979. Those who have puzzled over the years at Australia's extraordinary accommodation of Indonesia's rape of East Timor should puzzle no longer. It is now clear that it was much more about Paul Keating's 'main game' than was realized.

Having manoeuvred so hard and long, Australia will not surrender its stake in the Timor Gap without a fight. If there is to be a fight, Portugal will be the challenger. Though Lisbon has made it clear it has no territorial interests in East Timor, it has repeatedly condemned Australia over the treaty and is seriously considering initiating a challenge in the International Court of Justice. The odds on this happening have shortened in recent times owing to Portugal's joining of the EEC and the recent inclusion of several pro-Timor ministers in the Portuguese Cabinet. Procedurally no steps will be taken until the treaty is formally ratified and the most probable course of action will be a request by Portugal to the United Nations to seek an advisory opinion from the Court on East Timor's legal status. At the very least, the process would delay implementation of the treaty and seriously embarass Australia.

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No Place for Tourists: East Timor Observed

Tourists are now able to travel freely to most parts of East Timor. They are discovering spectacular scenery. The road from Dili to Baucau winds along the top of steep cliffs that drop straight into a clear blue sea. The mountains at the end of the rainy season are cool, lush places with long vistas. Mount Matebean, the 'Mountain

of the Dead', looks gigantic in the afternoon light. But those who can speak Tetum or Portuguese (or Indonesian) find that feelings among the people remain very tense, and that they suffer under persistent human rights abuses. Indonesian propaganda about East Timor is extraordinarily wide of the mark. The worst abuses all arise out of a massive Indonesian military presence: arbitrary shootings of civilians, at the rate of about ten a month; periodic waves of detentions accompanied by systematic torture; and a rigidly enforced ban on using good agricultural land if it happens to be situated any distance from a road.

Human Rights Abuses

There is evidence of twenty-seven civilians being killed by the Indonesian military throughout East Timor in May, June, and July of 1989. These do not include Fretilin guerrillas (known as 'forest people'). In the Baucau area alone, some horrific stories circulate. On 11 June, two persons were killed near Fatumaca coming back from their rice fields outside curfew time. They were shot on the spot and their decaying bodies were not found until three days later. Ossu, halfway between Baucau and Viqueque, is in the grip of fear. One person was shot on 30 June on the same pretext as the 11 June killings. On 17 July, three young men were found cutting wood beyond the allowed area. They were accused of being spies from the mountains, tied up in one bundle and shot on the spot. Their bodies were not able to be taken until a week later, and had been eaten by the dogs. Around 20 July an old man who was grazing his buffalo a short distance outside the allowed area was shot. On 23 June, a fifteen-year-old boy died at Loilubu, south-west of Baucau. Some soldiers entered his house asking for cigarettes. He told them he had nothing and asked them to go to the shop. The soldiers began to shout 'Fretilin, Fretilin!', there was a shot and the boy was dead.

Strict curfews are in force only where the army seems to be afraid of guerrillas. When asked whether the area around Baucau was now safe — the official reply is always in the affirmative — an East Timorese acquaintance replied instead: 'It is safe from the forest people, but it's the soldiers who make it unsafe.'

Beginning in May 1989, Kopassus arrested perhaps 100 people all over East Timor suspected of involvement with underground nationalist organizations. Some underground leaders had previously slipped through and escaped to Portugal, using the International Red Cross family reunion plan. The crackdown follows official anger at a letter Bishop Belo sent to the United Nations General-Secretary on 6 February urging a UN-supervised referendum on

the future of the country. All detainees were routinely tortured in the crudest manner: food deprivation, cigarette burns, electric shocks to the tongue, and beatings.

With the announcement of the Pope's visit, security authorities in Dili said that all political detainees had been released — both those recently arrested as well as those sentenced. There is some independent confirmation that the many detention centres were soon after empty of political prisoners. But it is suspected that some remained in detention. All released detainees were warned not to talk with the priests or with the International Red Cross. All were required to report, some sleeping overnight at detention centres, others spending the weekend there. All of them were expected to work for intelligence, helping to update a black-list that reportedly has 12,000 names on it.

Human rights abuses such as these have been put down to the chaotic nature of the military command structure at the top of the approximately twenty battalions in East Timor. No one will take responsibility for the actions of other units, and no two commanders have the same idea. Attempts at negotiating a cease-fire between the army and the remaining Fretilin fighters founder every time on this lack of army co-ordination. Many attempts since the only successful one in 1983 have failed, the last one in August 1988. The military at times takes local initiatives to approach the church: discussions are held, agreements are drawn up and signed. But little happens, and some time later there is a change of army personnel. The new officer does not recognize old agreements. Every army unit gives orders to the populace: Kopassus, Nainggala, Danrem, Hansip/Wanra, territorial command, Babinsa, not to mention the police. Apparently the command structure will soon be overhauled. Operational command will go to Denpasar, the Panglima Mulyadi will be moved out, as will President Suharto's son-inlaw Prabowo. But no one knows the timetable.

Prabowo's name is heard on many lips. When he first came he was only a captain, and he is in charge of only one battalion (328 men strong, based around Venilale south of Baucau). But the commander for East Timor treated him as his superior, and he has influence around the country. Venilale feels itself plunged into war again since his coming, 'as if the clock has been turned back two years'. On a single-handed mission to solve all of East Timor's problems, he appears to have a semi-private troop known variously as the Kujang Raiders, Kateda (KTD — *Kekuatan Tenaga Dalam*), or unofficially *tukang kepruk Cendana*, that is, hitmen to protect the President's family business interests in East

Timor. He surrounds himself with young East Timorese attracted by his money.

Prabowo is behind a move against Governor Carrascalao by a number of disaffected officials identified with Apodeti, the tiny political party that 'invited' Indonesia to take over in 1975. These opportunistic people were given public service jobs immediately after the invasion, but have since been replaced or leap-frogged by better qualified, or less corrupt people. Carrascalao, who was UDT (a moderate nationalist party of professionals in 1974), is nearing the end of his second and supposedly final term. They accuse him of aiming to become president of an independent East Timor.

Rumours allege that a dozen Apodeti public servants in April presented a petition to the army commander in East Timor asking that a hard line be taken against Bishop Belo and all UDT and Fretilin people involved in underground organizations.

Resettlement

One of the biggest human rights abuses continues to be the forced resettlement of the entire population along the main roads. Visitors to Java find little that is striking about villages consisting of rows of identical houses. The East Timorese traditionally lived in scattered settlements, each family on its own parcel of land. And the most fertile land is in the mountains where roads are few. These roadside villages are all new. Soldiers who pride themselves that they are 'helping the people build houses' may not realize that they are implementing an oppressive programme of land deprivation.

Government technocrats supporting the army's concept of resettlement villages, say that traditional settlement patterns are incompatible with the provision of modern services such as education, medical care and transportation, which all require a degree of centralization. These arguments draw on a geographical monograph by Joachim K. Metzner, *Man and Environment in East Timor*.[1] This book also states that traditional scattered settlements are not ecologically viable, and are in any case not traditional since they only developed after the Portuguese had pacified the country and broken up the pattern of tribal war. It is worth noting that in this case the technocratic arguments, which carry some weight, coincide with the security needs of the Indonesian army to deprive Fretilin of support.

Whilst no population distribution data is available comparable to that in Metzner's pre-war study, government officials admit that large areas of former plantations remain closed to the

people, 'because Fretilin is still there'. The ban on use of this land is enforced on pain of instant death, as the incidents quoted above demonstrate. Enormous wealth in the form of thousands of head of cattle were lost due to the Indonesian invasion, adding to the pain of deprivation. People say: 'If we were allowed to go back to our fields, the towns would be empty.' When one woman in a particularly ghastly new village was asked on her own why she did not go back, she said: 'We're not allowed to.' But after a little crowd had gathered, she instead said: 'We're all Indonesians now, we don't understand what you are talking about.' The Catholic Church has attempted to obtain the agreement of the military for people to use again the SeiCal River valley between Venilale and Mount Matebean, so far without success. Venilale itself is chronically short of water, whilst plentiful water is available in the valley below. In 1986, many people were killed who tried to go into that area to farm.

Every Saturday, all villages, at least in the Bacau-Viqueque area, have to report for a full roll-call and lecture, guarded by armed soldiers. On 17 July, 'Integration Day', soldiers made the people of Ossu engage in a weird ritual in which the Indonesian flag was dipped in palm wine. People were then required to sip from the palm wine. The story spread that the people had had to drink dog's blood.

Not all alleged human rights abuses are substantiated. In 1989 East Timorese solidarity groups alleged a number of gross medical malpractices, but it now appears these allegations were ill-founded. Among them was the alleged involuntary injection of the contraceptive depo provera, the dropping of poisoned cakes on a beach, and the poisoning of 200 children in a Dili hospital by cough medicine laced with DDT.

The Church

Bishop Belo's letter to the United Nations (UN)) asking for a referendum on the future of East Timor made him popular overnight. Before that he had not been outspoken, preferring quiet diplomacy directly with the military. When a village head was killed near Viqueque, the church brought the case to Korem, to the *panglima*, to the governor, all without success. The Bishop himself approached the military but was merely asked where his proof was. He then decided to go public with his letter to the United Nations. One foreign priest commented that the Bishop had failed to see the difference between Western and Eastern authority. Instead of shaming the Indonesians into action, as he perhaps expected, the letter simply infuriated them. The Vatican,

too, did not support the letter. Apparently a Vatican delgate toured East Timor in July. At a meeting with the Bishop he expressed his anger, even striking the table.

The church has been in tension with the Indonesian Government ever since the invasion. Outside observers suggested that the appointment of Mgr Carlos Filipe Ximenes Belo as Apostolic Administrator to replace Mgr Martinho da Costa Lopes was a concession to Indonesian pressure to tone down human rights protests. That is why Belo's recent public statements came as a surprise to some people. In fact the stand Belo has taken is that which he has maintained consistently, and it is no different from that of his predecessor. He may have gained confidence in his own authority after being appointed Bishop of Lorium last year.

The Catholic Church in East Timor has a traditional, hierarchical and pre-Vatican II appearance. Parishioners cannot buy a Bible for instance. Every small town has a large and beautifully maintained church as its centre-piece and priests are addressed with great deference. At the same time the church leadership has been quite radical in taking up the defence of the people against the Indonesians. The people are happy that Belo was not afraid to write to the United Nations, even though they know the church is unable to do anything for them. Church membership has doubled since the height of the war, it stands today at 540,000 (out of a total population of 650,000), the conversions being mainly of people from animist backgrounds in remote areas.

The Indonesian Government has used both the stick and the carrot in an attempt to defeat a church that has become a symbol of nationalist aspirations. The stick has been to limit training possibilities to Indonesians alone. The carrot has been to give generous assistance for church buildings, the most extravagant example being the cathedral in Dili, opened in an unprecedented move by President Suharto. In recent years the Government has also been allowing in a sizable number of foreign religious personnel. Most of these are from Portugal, Spain, and Italy. Brazilians would seem to be ideal, as they are Portuguese-speaking like the East Timorese, but they are specifically excluded.

The Opening of East Timor

East Timor was declared open in January 1989. Foreign tourists and quite a number of refugees who have become naturalized Australian citizens have had no difficulty in entering East Timor through Kupang. They are asked to register with the police at the airport, and to acquire a travel permit from police headquarters in Dili. A permit is required for all areas except the

road west to Maubara. Strangely enough there are no roadblocks anywhere east of Dili.

But the military presence is overwhelming. The only major hotel in Dili, the Turismo, is full of young men with jeans who carry walkie-talkies hidden in plastic bags. Seventy per cent of traffic on the road between Dili and Baucau, and Baucau and Viqueque, consists of military trucks travelling in convoys of three loaded with fully armed soldiers. One soldier always 'rides gun' overlooking the cab. Lonely military outposts sit on all hilltops commanding a view.

The main reason for opening up East Timor was to introduce economic competition and break the monopolistic stranglehold of PT Denok, especially on coffee prices. Coffee is being shipped straight from Dili to Singapore, often on navy ships. The East Timorese seller right now obtains $US 0.70-1.00 (Rp. 1200-1700) per kilogram, depending on whether it is Robusta (cheaper) or Arabica (best quality), and even that price is nominal since the seller is not told the weight of his coffee. Buyers in the field are local Chinese shop-owners acting as agents, but they are guarded by military men (Koramil, Hansip) in uniform. PT Denok is supposed no longer to exist, but new signs bearing the name in Dili and Viqueque have been seen. A letter from the governor dated 16 September 1988 declares that the minimum price should be Rp. 1750-2300 ($US 1.00-1.35), but it has had no effect.

Meanwhile, as many as 25,000 heads of families have arrived to settle since January 1989, flooding the place with Buginese and Makassarese. Economists say the East Timorese have a 'negligible' share in the local economy. Casual observation confirms this: there are no East Timorese-owned restaurants or shops. One foreign church worker, who has little sympathy for Fretilin, remarked: 'The real war is now.'

As it should be clear, the opening up of East Timor must not be confused with a return to normal life for the East Timorese; nor indeed, should it be mistaken for an end to East Timorese resistance.

Despite the constant barrage of propaganda over the television and radio, and the fear of detention over even what one might say in casual conversation, everybody seems to know the names of Fretilin leaders. No one spoken to, except officials, used the term "integration' to mark the events of 1976, instead people talk about 'the war'. There are many bitter memories of atrocities, particularly the *Operasi Kikis* in 1983. Village graveyards are eerily full of graves dated between 1977-79. Nevertheless, Fretilin is clearly unable to engage widely in propaganda activities.

The atmosphere is extremely tense. It is not possible for a foreigner to hold a conversation about life in East Timor in which the other does not sooner or later come out with a strong political statement: either pro- or anti-Indonesian. This requires no provocation except an unwillingness at times to accept what is obviously a party line. A truck driver who had Indonesian soldiers on board proclaimed loudly how he had been mistreated by Fretilin, and how different this behaviour was from that of the 'gentlemen' from Indonesia. But when pressed to tell more, he suddenly looked depressed and said: 'I only want to make a living, I am afraid, that is why I told you that fib just now. I once took some foreigners around, and afterwards I was interrogated for several days without food.' The rest of the trip passed in painful silence.

East Timorese, like people throughout the archipelago, are traditionally warm and hospitable. But now they dare not entertain foreign visitors in case they are interrogated about it afterwards. Their pain is that what is a duty to them is made impossible by fear. One priest commented over and over: 'The atmosphere here is oppressive. You just live here for two or three months and you will feel how it is.' A visiting Javanese academic, after an absence of eight years, spoke about 'the psychology of fear' and expressed disappointment that 'so little has changed since 1981'.

Even pro-Indonesian people are unwilling to accede to Indonesian propaganda about the Portuguese time. One such person got angry about claims on television that there were no primary schools outside the capital before 1976, and that the Portuguese discriminated against poorly dressed people in parks and on aeroplanes. He recognized that the Indonesians are widely regarded as hated enemies, but felt that there was no alternative to Indonesian rule. He did not believe the story that Apodeti was the major party when it 'invited' Indonesia to take over, and recognized that most Timorese continue to want independence. The dominant reason given for the stand taken by pro-Indonesian East Timor officials is that 'it is better not to live in a dream, we have suffered enough. A referendum on East Timorese independence, as asked for by the Bishop, would be war all over again.' This is a valid reason, though hardly an enthusiastic endorsement of Indonesia.

It certainly seemed the case that Fretilin has the sympathy of the majority of the people. They now have about 200 guns, and about 800-1000 people living 'in the forest'. The latter figure includes women, old people and children. There may be twelve

or thirteen cells active in Dili. However, militarily, Fretilin is fighting a losing battle. Their children are known to be in poor condition. Their methods in the city appear amateurish. For purely humanitarian reasons, some priests have urged them to give up fighting with their guns, because it will only lead to their death in the forest, and to start fighting with their brains instead. They urge them to think of their children and their old men.

Official assertions that they are now no longer even 'rebel bands' but merely a handful of thieves are obviously exaggerated. The large number of soldiers in East Timor is not primarily geared to building roads and houses for the people, as the official line goes. Travellers talk wryly about 'another truckload of road-builders with their shovels ready-cocked'. However, considering Fretilin's limited military capabilities, such a large army presence must be as much to terrorize the general population as to counter Fretilin.

There are other indications too, which give the lie to Indonesian propaganda. The military graveyard at Dili has a big sign forbidding the taking of photographs. The new 'heroes park' in Baucau has accumulated well over 200 graves in less than four years, an average of more than one a week in the east of the island alone. New ones are continually being added in ones and twos. More would be buried in Dili. When Indonesian soldiers are killed, families only get a uniform and backpack sent home to them, without information about how the young man died. Officers' bodies are flown directly home. Perhaps five to ten Indonesian military casualties a month would be a fair guess. The 'heroes graveyard' is used only for battle casualties, not accidental or disease-related deaths. Over three-quarters of casualties are Muslim, which tends to counter claims that the army is fifty per cent East Timorese. Whilst the Baucau-Viqueque-Lospalos area is perhaps the hottest, shooting is still being heard in other parts too. Six Indonesian soldiers were killed at Bobonaro (between Ainaro and Maliana south of Dili) in July.

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Tourists are now bringing back generally depressing stories of developments in East Timor, tinged with some bright spots. East Timor at the end of the rainy season is a country of exceptional beauty. A hopeful aspect of the new open-door policy is that Indonesian propaganda about the situation will become more transparent to inquiring eyes and ears.

But the people live in fear under a massive Indonesian military presence. Arbitrary killings by security forces are continuing in many areas. The resettlement policy is still enforced on pain of

death. Cemeteries all over the countryside are full of graves from the height of the war between 1977 and 1979, and feelings of bitter hatred have not been appeased. Intermittent fighting is continuing, and both Fretilin and the Indonesian army are taking casualties. The population still hopes fervently for independence, but in such a climate of arbitrary terror, their ability to withstand pain indefinitely must be questioned. The Catholic Church is taking a popular stand with the people, even at the risk of Vatican displeasure, and certainly at the cost of good relations with Jakarta.

East Timor's economy is dominated completely by non-indigenous groups. Every year the civilian Indonesian government is acquiring more permanence, and it is difficult to see that Indonesia will easily withdraw. However, if things do not change, East Timor will be an increasingly visible indictment of Indonesia's basic lack of humanitarianism.

The US Invasion of Panama

Barry Carr

In the era of *perestroika* and *glasnost* the invasion of Panama was a calculated gamble. The world-historical events in Eastern Europe and the Soviet Union certainly helped deflect attention from the bloody assault on Panama. However, the Latin American response to the invasion has been almost uniformly hostile. At the time of writing hardly any Latin American governments have recognized the regime of Guillermo Endara, the millionaire businessman, installed by the invasion forces.

The invasion is certainly a watershed in the post-war history of United States-Latin American relations. Contrary to most of the media commentaries the assault on Panama City carried out on December 22 1989 was more than a flexing of imperial muscles or an exercise to protect the lives of American citizens. Neither can it be dismissed as just another case of US interventionism in 'America's back-yard'.

The attempt to assassinate Manuel Noriega (and this is the only plausible explanation for the total destruction of the headquarters building of the Panamanian Defence Forces) is the first time since the bungled attempts to kill Fidel Castro in the 1960s that Washington has tried to physically eliminate a Latin American leader. Equally remarkable has been the American decision to decimate and then remodel the Panamanian armed forces. The normal tactic pursued by the United States during its military interventions has been to preserve the integrity of military and police repression, installing a new officer corps only when absolutely necessary.

Most importantly, though, the Panama invasion marks the beginnings of a new epoch in which 'the war against drugs' replaces anti-Communism as the rationale for US imperial strategy in Latin America.

Noriega and the United States

In the short run the invasion raises difficult questions for the US Republican Party, most of which has to do with Manuel Noriega's long history of co-operation with US intelligence. Noriega, who began his career in the military intelligence division of the Panamanian army, has had close links with the Central Intelligence Agency since the early 1970s. The CIA reportedly paid him as much as $200,000 a year until the final break in relations between Noriega and the Reagan administration in mid-1987.

The relationship was not interrupted in spite of growing evidence that Noriega provided favours for drug cartels. Noriega's illicit dealings were winked at because the deepening Central American crisis (initiated by the overthrow of Anastasio Somoza in 1979 and the growing revolutionary challenge in El Salvador) made Panama a valuable resource in the US strategy of rolling back the revolutionary tide.

The Reagan administration's obsession with the Sandanista 'threat' in Nicaragua gave the important military bases located in the United States-administered Panama Canal Zone a new significance. As the United States trained and financed the Nicaraguan *contra* forces and built up its military commitments to successive governments in El Salvador the Panama bases provided intelligence resources and a base for supplying arms and equipment to Washington's proxies.

Evidence of the important role played by Panama in the supplying of the *contras* emerged during the Iran Contra investigations of 1987. Some of the most interesting and embarrassing